

The IR Journal

Comptroller General Issues First Amendment to Government Auditing Standards

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Yellow Book Amendment Issued

The Comptroller General of the United States issued Amendment 1 to the Yellow Book in May 1999. The amendment modifies the section entitled "Internal Control" (paragraphs 4.21 through 4.33) in Chapter 4. It establishes a new field work standard requiring documentation in the planning of financial statement audits in certain circumstances (paragraphs 4.21.1 through 4.21.4). Specifically, this new standard requires auditors to document in the working papers the basis for assessing control risk at the maximum level for assertions related to material account balances, transaction classes, and disclosure components of financial statements when such assertions are significantly dependent on computerized information systems. It also requires auditors to document their consideration that the planned audit procedures are designed to achieve audit objectives and to reduce audit risk to an acceptable level.

An electronic version of this standard can be assessed through the U.S. General Accounting Office's (GAO) Internet Home Page (www.gao.gov) from the GAO Policy and Guidance Materials or the Special Publications sections of the GAO site, or directly at www.gao.gov/govaud/ybk01.htm.

"Always listen to experts. They'll tell you what can't be done, and why. Then do it."

- - Robert Heilein

IR Symposium Update

Plans are coming together for the 1999 Army Internal Review Training Symposium in Scottsdale, AZ. It appears that the IR community is taking advantage of the opportunity to visit the great southwest as the number of registrations have long since surpassed the hotel's ability to accommodate everyone. We have put together a "Stand By" list to back-fill cancellations.

We also forwarded a message to all MACOM IR Directors notifying them that the government rate of \$56 per night is only available from 21 through 28 August 1999. Individuals staying prior to or subsequent to these dates will be charged the hotel's normal rate of

approximately \$130 per night. The only exceptions to this policy have been afforded to members of the Army's IR Steering Group who will meet on the 19th and 20th and the USARC Steering Group meeting on the 30th. This message should have been forwarded to all Army IR offices on or about 3 June 1999.

Also, handouts will be kept to a minimum this year. Instead of handouts we will be posting copies of presentations and handouts to the IR Webpage where they can be viewed or printed out as individually desired.

"All technology should be assumed guilty until proven innocent."

- - David Brower

More On Y2K

by Mr. Archie Ford, IR Director, AMC

Most audit groups have devoted the last few years determining whether their organizations have adequately prepared themselves to handle the Y2K date problem. In 1999, many audit reviews consisted of evaluating the quality of testing of mission critical applications on a post implementation basis and evaluating the business continuity plans. Some audit departments had the resources to expand their reviews to ensure that End User Computing has been adequately addressed.

The Y2K problems will not all occur on 1/1/00. The Gartner Group reports that more than 60% of the Y2K failures will occur after 1/1/00. The reason is that most business paths will not be executed on the first business day after the millennium.

The primary component of contingency planning is the ability to identify when problems will occur. The mechanism used to identify these problems is referred to as a "trigger." In many cases this trigger could be as simple as a user reviewing a report to ensure that the day's scheduled activity actually occurred. This process to identify problems was always required but is especially important when the likelihood of failure is greatest. The likelihood of failure for the Y2K project is increased when that code is executed for the first time in the Y2K. If a windowing implementation approach is used, an ongoing analysis must be in place to ensure that the dates used in calculations do not exceed the range of dates which represent the window.

The first component of the post-Y2K audits should be to ensure that triggers have been established and are being used effectively. This review should be a standalone audit or incorporated into existing applications and systems reviews throughout 1999.

The second component of the post-Y2K audit is the overall determination of whether a particular area has been impacted by the Y2K problem, and whether proper controls are in place to identify and resolve the problems. This audit primarily involves a review of the problem management system and requires an indepth compliance test be performed in order to actually identify problems. The greatest concern is that Y2K problems are occurring but are not being

properly identified or escalated to management. Y2K problems could represent a flawed impact analysis process or testing approach which could result in an increased number of problems which cannot be handled using normal system support resources.

An additional component of the post-Y2K audit is the assessment of whether infrastructure investments made during the Y2K project are being properly maintained. Many organizations have established comprehensive regression test environments which can be used to test future development. However, the test environment must be updated periodically with future enhancements in order to be used effectively. The audit should focus on these infrastructure and other infrastructure components which were developed and enhanced as part of the Y2K project.

Please consider this while planning audit subjects for FY 00.

"Some people think George is weird, because he has sideburns behind his ears. I think George is weird, because he has false teeth, with braces on them. George is a radio announcer, and when he walks under a bridge... you can't hear him talk."

- - Steven Wright

"We find comfort among those who agree with us--growth among those who don't."

- - Frank A Clark

Order of Military Medical Merit Awarded

by Rohm Thompson, MEDCOM IR

Ms. Joyce Messick, recently retired from the Internal Review Office at North Atlantic Regional Medical Command, was presented with the Order of Military Medical Merit in a ceremony at Walter Reed Army Medical Center on March 29, 1999. The Surgeon General of the Army, **LTG Ronald R. Blanck**, cited Ms. Messick for her 41 years of dedicated service to Walter Reed and the Army Medical Department. The Order of Military Medical Merit is a unique, private organization founded by the Commanding General of the U.S. Army Health Services Command in 1982 to recognize excellence and promote fellowship among Army Medical Department (AMEDD) personnel. Membership in the Order denotes distinguished service which is recognized by the senior leadership of the AMEDD. Eligibility for membership in the Order is limited to AMEDD officers, noncommissioned officers, civilians and retirees who have made significant contributions to the entire AMEDD over a long period of time.

LTG Blanck expressed his gratitude to Ms. Messick and the Internal Review staff for constantly striving to bring improvements to the Army. He recounted her long career which began in 1958 as a bookkeeper at the Walter Reed Officers' Club. After a series of positions including service as the Central Accounting Officer, Ms. Messick joined Internal Review in 1984. Since then, she has been instrumental in helping resolve many of the critical issues facing the Medical Department leadership.

LTG Blanck also mentioned Ms. Messick's love of people and strong desire to be of service. In retirement she continues to give of herself as a volunteer for the Walter Reed office of the Red Cross.

"It is not the mountain we conquer but ourselves."

- - Sir Edmund Hillary

CECOM Reorganizes

In order for the U.S. Army Communications-Electronics Command (CECOM) to plan now for an FY05 structure which accommodates the Quadrennial Defense Review reductions, the CECOM Commander has approved a revised organization structure to be effective 1 October 1999. Under this revised organizational structure, the CECOM IRAC Office will be removed from under the direct control of the Chief of Staff and will be placed as part of the Personal Staff of the CECOM Commander.

"If you limit your choices only to what seems possible or reasonable, you disconnect yourself from what you truly want, and all that is left is a compromise."

- - Robert Fritz

LEVERAGING AUDIT RESOURCES THROUGH CONTROL SELF-ASSESSMENT (CSA)

By Tim Gariboldi, IR Chief, Vermont National Guard

Control Self-Assessment (CSA) is gaining wide spread acceptance in the private sector by management as well as Internal Audit. Organizations adopting this tool have realized that the CSA approach increases effectiveness of controls and risk management, promotes ownership and buy-in of recommended improvements, provides broader coverage, and improves communication. What is CSA? Control Self-Assessment is a methodology used to review key business objectives, risks involved in achieving the objectives, and internal controls designed to manage those risks. It's a tool that can be applied in a wide range of audit services and management-produced analyses (i.e., reengineering efforts or quality action team initiatives). Some examples of how management and audit activities use the CSA methodology include:

- a tool to identify the audit universe and perform macro risk assessments
- developing the annual plan
- as preliminary research during the course of traditional/quick response audits
- providing assistance to management (consulting type services)
- additionally, as a methodology to perform management control evaluation/ certification

The approaches and formats used during a CSA vary between organizations. The primary factors influencing this are dependent on the culture of the organization and the scope of the assessment. The most common methodology for CSA is the facilitated risk/process-based

approach. Facilitated team meetings (or Workshops) are used to gather information from work teams that may represent multiple levels within an organization. The facilitator/auditor examines the activities performed within selected business processes and identifies what organizational goals and objective(s) the selected processes are intended to achieve. During the workshops, the work teams identify the inherent risks associated with the objective, process, function, etc.; identify the inherent risks or barriers; evaluate the residual risks; and determine whether controls are adequate and effective. If improvements or additional controls are required, work teams establish action plans and report results to senior management.

Not all organizations are ripe for CSA implementation. Any organization considering adopting this process should carefully consider the research and the scope of the CSA process, the impact of the organization's culture, use of CSA results, and internal auditing involvement.

For more information on this topic see the IIA's CSA Center web-site at www.theiia.org.

"Tradition is a guide and not a jailer."

W. Somerset Maugham:

In Touch

by Mr. Frank Bono, OCAR

Member, International Committee on Government Relations, Institute of Internal Auditors

Guidelines for Good Service. Good service requires more than a catchy formula or slogan. When it comes to customer service, you will deliver your best if you remember these five Ps:

1. **Be Proud.** Have confidence in yourself. The customer needs to see you as an expert, ready and able to deliver.
2. **Be Professional.** Always put the customer first.
3. **Be Polite.** Customers deserve your respect and consideration, no matter what kind of day you're having.
4. **Be Prompt.** Never keep a customer waiting.
5. **Be Personal.** Your customers want to be treated as individuals, not as the next person in line.

LOYALTY

While loyalty can mean different things to different people, here are some universal reminders of what loyalty is all about:

Loyalty that is bought is just as easily sold.
Loyalty is much easier to talk about than to build.
Once lost, loyalty is hard to regain.

Managers who listen find that employees do the same.
 Instead of blind loyalty, look for open-eyed commitment.
 The less loyalty there is, the more supervision will be necessary.
 The better the management, the greater the loyalty.
 Loyalty breeds trust, and trust breeds loyalty.
 Loyalty is an asset that needs attention. Disloyalty gets by on its own.
 Loyalty works both ways. Those who give it expect to receive it.

The Auditor's Role in Business Ethics. Henry Mintzberg, in his book *"The Nature of Managerial Work,"* identifies 10 different roles managers routinely play in managing business ethics. One of these roles is "monitor." Auditors can assist managers in "monitoring" the understanding of and compliance with established ethics policies.

Do you have what it takes to be a Chief Executive Officer (CEO)? CEOs are among the most influential people in the corporate world. Many believe that CEOs are born leaders; other believe such leadership is learned. Reality resides somewhere in between. Here are some qualities possessed by CEOs.

1. CEOs are bright, not just strategic. They know how to use their intellectual power to make quick, solid decisions in tough environments.
2. CEOs can create and communicate a vision for success and build a complex organization to accomplish what others might see as impossible tasks.
3. CEOs are principled people with a strong value structure who are adept at gaining the trust and confidence of others.
4. CEOs have a warrior-like quality that allows them to persevere no matter how difficult the task. They have an incredible work ethic, and extraordinary stamina, plus the ability to create an energy-charged, enthusiastic work environment. They enjoy whatever the process it takes to get the job done.
5. When CEOs walk into a room, people notice them, respect them, and value and trust their knowledge.
6. CEOs have a unique passion for challenge and opportunity. Equally important, they are able to articulate this passion and get people excited about plans and goals.

So, now that you are aware of qualities needed to become a CEO, how do you get there? Here are some hints. Find a mentor. Take on challenge and risky opportunities. Don't be afraid to make mistakes; learn from them. Build a strong personal network. Advance your career. Add value to your organization.

"It is even harder for the average ape to believe that he has descended from man."

- - H. L. Mencken

What's New Department

How important is the Implementation of Audit Recommendations.

by Mr. Ron Carroll, USARC IR

The Chairman of the House Appropriations Committee has specifically warned all Departments and 10 major independent agencies that they can expect to be asked during this year about problem areas already identified by inspector general audits and by the GAO. The Committee wants to know where you stand on implementing audit recommendations and resolving problems. Where the Committee finds lack of specific actions or commitment to address them, "you can expect to see the results in our funding decisions." Every American has the right to expect the federal government to work honestly and efficiently. The Chairman of the House Committee on Government Reform has joined in by highlighting the role of the Government Performance and Results Act and the need for "specific and measurable targets." They want commitments to a "clear course" toward resolving each problem as soon as practical, "with measurable marks of progress along the way."

"If you're like most homeowners, you're afraid that many repairs around your home are too difficult to tackle. So, when your furnace explodes, you call in a so-called professional to fix it. The "professional" arrives in a truck with lettering on the sides and deposits a large quantity of tools and 2 assistants who spend the better part of the week in your basement whacking objects at random with heavy wrenches, after which the "professional" returns and gives you a bill for slightly more money than it would cost you to run a successful campaign for the U.S. Senate. And that's why you've decided to start doing things yourself. You figure, "If those guys can fix my furnace, then so can I. How difficult can it be?" Very difficult. In fact, most home projects are impossible, which is why you should do them yourself. There is no point in paying other people to screw things up when you can easily screw them up yourself for far less money. This article can help you."

- - Dave Barry, "The Taming of the Screw"

True or False?

Since many of our readers will be attending the 1999 IR Symposium in Scottsdale, AZ, in August; we thought we'd present you with a question related to the southwest desert.

Is it true that rattlesnakes warn their victims by rattling before striking?

(Answer on Page 20)

Simple vs Real Friends

Submitted by Mr. Frank Bono, OCAR IR

Anyone can stand by you when you are right, but a Friend will stand by you even when you are wrong.

A simple friend identifies himself when he calls. A real friend doesn't have to.

A simple friend opens a conversation with a full news bulletin on his life. A real friend says, "What's new with you?"

A simple friend thinks the problems you whine about are recent. A real friend says, "You've been whining about the same thing for 14 years. Get off your duff and do something about it."

A simple friend has never seen you cry. A real friend has shoulders soggy from your tears. A simple friend doesn't know your parents' first names. A real friend has their phone numbers in his address book.

A simple friend brings a bottle of wine to your party. A real friend comes early to help you cook and stays late to help you clean.

A simple friend hates it when you call after he has gone to bed. A real friend asks you why you took so long to call.

A simple friend seeks to talk with you about your problems. A real friend seeks to help you with your problems.

A simple friend wonders about your romantic history. A real friend could blackmail you with it.

A simple friend, when visiting, acts like a guest. A real friend opens your refrigerator and helps himself.

A simple friend thinks the friendship is over when you have an argument. A real friend knows that it's not a friendship until after you've had a fight.

A simple friend expects you to always be there for them. A real friend expects to always be there for you!

Pass this on to anyone you care about. If you get it back you have found your true friends!

"There is no such thing as a 'self-made' man. We are made up of thousands of others. Everyone who has ever done a kind deed for us, or spoken one word of encouragement to us, has entered into the make-up of our character and of our thoughts, as well as our success."

- -George Matthew Adams

The Training Corner

by Ms. Michelle Doyle

The annual survey of training requirements was forwarded to all MACOM IR Offices on 16 June 1999 via e-mail. USAAA Training Branch needs the information to help identify budget requirements for FY2000. MACOMs should consolidate training requirements for their command and submit the information to this office by the suspense date - **12 July 1999**. To

guarantee your training needs are met, please be prompt in your handling of this most important requirement.

SERMC Internal Review Training Workshop

Submitted by Elizabeth Robinson, IR, MEDDAC, Ft. Benning, GA

The South East Regional Medical Command (SERMC) Internal Review Annual Training Workshop was held 6-7 May 1999, at Martin Army Community Hospital in Fort Benning, GA. The Workshop proved to be a great marketing tool. In my search for topics of interest and speakers for the Workshop, I was able to explain to personnel in the Resource Management, Patient Administration, and Clinical Support Divisions exactly what it is that Internal Review auditors do. I was also able to demonstrate how we can interact with each other to more effectively and efficiently accomplish our mission.

The theme of the Workshop was "The Information Age." I am sure that most of us can agree that "information is power." Building on that thought, I would like to add that "timely" information is even more powerful. Consequently, the objective of this year's Workshop was to acquaint SERMC auditors with information that is usually readily available at most Army hospitals. The information is usually gathered and reported by different departments. Knowing more about what is already available will save the auditors time and it broadens their functional knowledge base. It also gives them a better perception of how their organizations operate.

Some of our featured speakers and their discussion topics were:

| <u>Speaker</u> | <u>Topic</u> |
|------------------------------|--|
| Mr. Michael Ireland | Medical Expense Performance Reporting System (MEPRS) |
| Mrs. Judy Russell | TRICARE Program Integrity |
| Mr. Joseph Kinzler | Supplemental Care and Active Duty Claims |
| Mrs. Dale Raines | Bid Price Adjustment (BPA) |
| Mr. Carmine Mendicino | Medical Command Issues |

The number of Internal Review auditors in the SERMC has decreased in the last few years, so I opened up the Workshop to others in my organization who were interested in the topics being presented. Representatives from the Nursing Department, Resource Management Division and Patient Administrative attended portions of the Workshop. My Commander, **COL Lester Martinez-Lopez** spoke at the workshop. Although the number of Internal Review auditors is dwindling, it is important that those of us who remain do not just "fade into the background." This Workshop allowed me to market Internal Review and network with others inside and outside of my organization.

FIELD TRAINING EXERCISE

by Mr. Wally Wallace, IR-90th RSC

“He Came, He Fought, and We WON !!”

He is now known as the “Lone Trainer.” **Frank Bono** arrived in Beautiful Little Rock, AR with the band playing and a crowd of people cheering. They expected to see the “Training Duo” - two of the most Famous Audit Slingers in the US. But as happens in life the old Flu Bug struck again and **Bob Barnhart** was not able to make the journey. The “Lone Trainer” was itching for a training fight as he greeted those arriving early on Thursday night. It was a time of meeting old acquaintances and making new friends. For some that included rustling up some great BBQ.

Friday morning April 9, 1999, as the sun came up and everyone arrived at the corral, it was a crowd to behold! Where did these strangers (now friends) come from?? With brands from California, Utah, Virginia, Illinois, Kansas, Louisiana, Texas, Mississippi, and Arkansas and representing the USAR, NGB, AMC, and COE. The rodeo was on!

The training was great !!!! Everyone (29) in the class gained a great amount of insight and knowledge from the material Mr. Bono (Master Bronco Rider) presented. All attendees felt it was a real unique experience to have a person of "Master Bronco Riders" position actually COME to the FIELD and mingle with the troops. These individuals are the one's on the firing line every day and trying to stay on for that winning ride in their commands. The Update was very informative. He also covered the 1717 & 1754 Semi-annual Reports, Quick Response Audits, Consulting & Advisory, Liaison, Monetary Benefits and Management Control Process. **Mr. John McGinnis** of the Louisiana NG commented, “I am so glad you invited us to attend. This has been great for my staff.”

The questions asked were hard and true. Were it not for the real answers, the Master Rider would have been through. Frank Bono answered each pitch, buck, and jerk question with directness and honesty. It was like riding that wild bronco horse that has never had a rider survive the full ride. Some questions could be answered and others got the honest answer of I do not know or we are dealing with that issue.

In the eyes of everyone who attended the training Frank Bono "Master Bronco Rider" sits tall in the saddle and we are all wiser and better prepared from his tutelage.

"If a word was misspelled in the dictionary, how would we know it?"

- - Steven Wright

A-76 Commercial Activity(CA) Study Validation Training

by Dennis Joe, FORSCOM IR Director

Get involved!!!! Auditors now play a very important role in protecting the commanders' funds....and the Internal Review community plays a pivotal role on the smaller CA studies. AR 5-20 stipulates that for functions with 65 or fewer civilian FTEs, the installation may use their IR office, the MACOM, or other government or commercial sources approved by the MACOM for the independent review of the in-house cost estimate. Because of the increasing number of studies, AAA is no longer able to support all of the requests to validate the "small" studies. They and the commanders are looking to IR for support.

Even more important is the fact that DA is no longer waiting for the installations to perform the studies and then reduce the budgets for the efficiencies. The anticipated efficiencies are now being built into the out-year budgets!!! The implication to the commander is that if the study isn't completed as scheduled, they will be operating with reduced funding.

From 24-28 May 1999, FORSCOM and Army Audit Agency conducted joint CA training at Fort Gillem, GA. A total of 15 personnel from FORSCOM, AMC and AAA attended. The objective of the training was to review the steps used to validate CA studies and become familiar with the automated software used to validate cost comparisons. The training was conducted because we are all faced with inevitable CA studies and the requirement to validate the studies.

AAA provided instruction and lively round table discussions on the audit processes used to validate studies. They also provided training on the COMPARE software which is used to perform the cost validation. My hat is off to AAA for providing the instructors and to all attendees who benefited greatly from the training. Each attendee received 32 hours of CPE for this training!!!

Special thanks to **Mr. Bob Emmons** and **Mr. Robert Richardson** of Army Audit Agency for making this happen!!!

"Most of the important things in the world have been accomplished by people who have kept on trying when there seemed to be no hope at all."

- - Dale Carnegie



\$6.70 an hour "job"

Statement of Representative Helen Chenoweth May 20, 1999, Regarding a Better Quality of Life for America's Defenders

Mr. Speaker, in today's military a young enlisted person serving out his or her first contract can expect to make one thousand, seventy-five dollars and eighty cents a month. Over a forty-hour work-week, this averages to six dollars and seventy cents an hour. But most of our military personnel don't work forty-hour weeks. We all remember the famous Army slogan "We do more before 9:00 a.m. than most people do all day." Mr. Speaker, it's true. These young enlisted personnel can expect to be at work before first light and not home again until long after dark. And Mr. Speaker, we don't pay them overtime.

These young people train for weeks at a time away from home. They keep themselves in a state of top physical readiness. They live their personal lives according to the high standards of integrity and honor we mandate for them. These young servicemen must uproot their families on a moment's notice, moving to a new duty station across the country, or across the globe. They do it all on six dollars and seventy cents an hour. For members of the military with families, the situation is worse. Despite a modest living allowance, 12,000 families currently serving in our Armed Services are dependent on food stamps. Food stamps.

We have government employees living off of government subsidies. Mr. Speaker, why don't we skip the intermediary step and just pay them properly the first time? During the holidays at the Mountain Home Air Force base in Idaho, a network of military spouses work together to collect donations of money and toys for the enlisted families who cannot afford to give their young ones Christmas or Thanksgiving. Last November and December, the Mountain Home Warm Heart organization, run by the spouses of servicemen, distributed over eighteen

thousand dollars worth of food, toys and cash to needy military families. Where did this money come from, Mr. Speaker? From the pockets of servicemen who already had very little to give. If this were not bad enough, many military families have more serious concerns than just Christmas and Thanksgiving. At the Mountain Home Air Force Base, 459 women and children are receiving regular food assistance. 107 of those are infants. The Mountain Home Air Force Aid Society made \$131,000 in emergency assistance loans to military families. I am very concerned about what will happen to these families when the money runs out and they still have to make monthly payments on the loans.

In the 18th Century, citizen soldiers won our independence and secured our liberties. We hailed them as heroes and revered the courage and commitment they demonstrated in defense of our nation. Today that nation is protected by citizen soldiers with the same integrity and sense of duty. Only in 20th Century America, we don't even pay them a living wage. We should be ashamed of ourselves.

From 1988 to today there have been thirty-two deployments of our military. In the previous sixty years there were only ten deployments. Put another way, Mr. Speaker, prior to this administration, the military was deployed an average of once every six years. During the Clinton Administration the military has been deployed an average of four times every year. Furthermore, since 1987, we have depleted our ranks by eight hundred thousand servicemen. In practical terms, that translates into more frequent deployments and dangerously long hours. It is illegal in this country for truck drivers to be on the road longer than eight consecutive hours without rest. We have pilots patrolling the Mediterranean in fourteen hour shifts. In short, this Administration is expecting our servicemen to do one hundred times as much and place their lives at risk one hundred times as often with eight hundred thousand fewer people. For as little as six dollars and seventy cents per hour.

Mr. Speaker. I recently paid a plumber \$90 an hour to unstop my garbage disposal. An auto mechanic can expect \$50 an hour. A teenager working as a bagger in a grocery store can earn up to \$12 dollars an hour. None of these jobs require 24-hour dedication to duty and a constant threat to life.

Mr. Speaker, one young Marine I know of has taken a second job to supplement his income. Every night, this Lance Corporal goes home and trades his Marine uniform for a blue and red t-shirt and matching hat from Dominoes. This young Marine, this hardworking father of two, delivers pizza because he is too proud to accept welfare. He is not alone in this endeavor. But it is nearly impossible to know how many young servicemen are in this position because most of them hide it from their commanders. A young Lance Corporal serving in the Marine Corps today can anticipate being combat-deployed at least once in a four-year enlistment. I wonder what this Lance Corporal's family will do when he is away and they have to make do without the supplemental income from Dominoes. I am humbled by this young Marine, and the many others like him who work so hard to protect us. I am ashamed that we don't do right by them.

I urge this body to seriously consider the ethics of our government's continued over-extension of our military in light of our complete lack of gratitude for their service. Mr. Speaker, I have a request to make of the members of this body. Tonight when you go home to your families, to the security and comfort of your homes; when you tuck your children in to bed; say a prayer for the men and women of our armed forces. As you sleep, approximately one-hundred thousand of them stand watch, away from their own loved ones, ready to give their very lives to protect you. For as little as six dollars and seventy cents an hour....

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It has been said that: "The highest reward for a person's toil is not what they get for it, but what they become by it."

We are a great nation by the toil and sacrifice of those who should be remembered this Memorial Day and every day.

"American business long ago gave up on demanding that prospective employees be honest and hardworking. It has even stopped hoping for employees who are educated enough that they can tell the difference between the men's room and the women's room without having little pictures on the doors."

- **Dave Barry**

IR Roundup

Awards -

- **XVIII Airborne Corps and Fort Bragg, NC**, Internal Review Office have been selected to receive a 1999 President's Quality Award Program Achievement Award for their accomplishments in quality and continuous improvement.
- **Ms. Joyce Messick**, recently retired from the Internal Review Office at North Atlantic Regional Medical Command, was presented with the Order of Military Medical Merit by The Surgeon General of the Army, **LTG Ronald R. Blanck**, in a ceremony at Walter Reed Army Medical Center on March 29, 1999.
- The National Guard Bureau proudly recognizes the following States who received the "Auditing in Excellence Award" based on the quality assurance review performed by the National Guard Bureau Internal Review Directorate. The award is only presented to those States who receive a 95% or higher score! Congratulations to: **Michigan, New Mexico and North Carolina** National Guard IR Offices.

- The **CECOM IRAC Office** was awarded the Northern New Jersey Combined Federal Campaign 1998-1999 “Platinum Award” in appreciation for their commitment to the year’s CFC Campaign. They again achieved 100% participation.
- FY 98 turned-out to be “John Riley Year.” **Mr. John Riley**, a Senior Auditor at CECOM, was recognized as the Army Materiel Command Auditor of The Year for 1998. In addition to this award, Mr. Riley received from **General Wilson**, AMC Commander, a plaque honoring him for the FY 1998 Resource Management Award for Auditing-Below MACOM. An article about this award was written in the 1st Quarter FY99 Resource Management magazine. It did not end there as Mr. Riley also won the Jersey Devil Chapter, ASMC, Award for Auditing for 1998. He was presented another plaque at the Mini-PDI held in April 1999. Finally, John has been selected as one of CECOM's Ten Outstanding Personnel of the Year for 1998. He will receive a Department of the Army honorary award along with a CECOM plaque and will be honored in a Command awards ceremony scheduled for 30 July 1999, 1530 hrs, Pruden Auditorium, CECOM.
- **Messrs. Dominic D’Orazio and Joseph Galanthay**, CECOM, received performance awards in conjunction with their annual appraisals.
- **Ms. Christine Linthicum**, CECOM, received a Quality Step Increase in conjunction with her annual appraisal.
- **Messrs. John Cunion and Dominic D’Orazio**, CECOM, received certificates for taking no Sick Leave during FY 1998.
- **Mr. Joseph Galanthay**, CECOM, received a certificate recognizing him for accruing 2000 hours of Sick Leave.
- **Mr. Dave Engstrom**, DPG, received an award for exceptional performance.
- **Mr. Bill Doyle and Ms. Sharon Comer**, YPG, received awards for exceptional performance.
- **Ms. Chris Vazquez**, GAPG/HQ TECOM, received an award for exceptional performance.
- Each employee of the **GAPG/HQ TECOM IRAC Office** received a Four Star Note from **General Wilson** for outstanding performance. This office also won the DA IR Award of Excellence.

Promotions –

- **Mr. Maurice "Sam" Kliewer**, USA Garrison, Fort Sam Houston, Texas, was promoted to GS-12 on April 25, 1999. Congratulations Sam!

Hail/Farewell -

- The "88th RSC IR Office bids farewell to **Major James Nepute**, AGR Auditor, and wishes him good luck and success in his new assignment with the 412th ENCOM in Korea. Jim was very proactive in the areas of ACOE/APIC process and the MCP.
- Welcome on board **Ms. Romona Norman!!!** Romona joins the FORSCOM IR team at Ft. Irwin, California. She is coming to us from NAF Financial Services, Texarkana, Texas. She is a California native and is returning home. Hooah!!!
- **Mr. Roma "Bill" Porter**, Garrison Internal Review Office, Fort Sam Houston, Texas retired on January 1, 1999. Good luck Bill!
- **Mr. Jeffrey Weber** is set to transfer from USA Garrison Fort Sam Houston, Texas, to the 21st TAACOM IR, Unit 23203, Kaiserslautern, Germany, around July 1, 1999.
- The National Guard Bureau would like to welcome two new supervisory auditors. Congratulations are extended to **Ms. Lajuana Jeffery**, Arkansas and **Mr. Gil Caetans**, Massachusetts.
- The Colorado National Guard would like to welcome three new auditors: **Mr. Daniel S. Douglas**, **Mr. Steven L. Flanagan** and **Ms. Carol M. Landstrom**.
- **Mr. Richard Austin** is leaving the U.S. Army Signal Command Internal Review after 21 years to take a position with Internal Review at Seventh Army Training Center in Grafenwoehr, Germany.
- **Ms. June Vazdez**, White Sands, has accepted an auditing position in Germany. She reports in early July.

Vacancies -

- National Guard Bureau Internal Review Directorate is currently recruiting for a GS –12 position to work in their Crystal City location. If interested please contact **Mr. Walt Morrison** at 703-607-0755 (DSN: 327-0755)
- U.S. Army Signal Command, Fort Huachuca, Arizona, is in the process of recruiting a GS-12 Auditor for the Internal Review office. Anyone interested can call **Mr. Bill O'Hare** on DSN 879-6359 for more information.
- The 22nd Area Support Group (ASG), a subordinate command of U.S. Army, Europe, located at Vicenza, Italy, is currently recruiting for a GS-0511-12 auditor to serve as Chief, IRACO. Candidates interested in a lateral transfer may apply directly to the 22nd ASG by

forwarding a resume, SF-171, or DA Form 2302, along with a copy of their most recent SF-50 and Senior System Civilian Evaluation Report to:

HQ, 22nd Area Support Command
ATTN: DCO
Unit 31201, Box 80
APO AE 09630

Personals -

- **Mr. Bill Check**, Chief of IR at CFSC, has been diagnosed with Hodgkin's disease and is undergoing chemotherapy treatments. According to Bill, there are four types of Hodgkin's disease and the type he has is the rarest of the four, but his doctor has said that it is very treatable. Bill is in good spirits and has a "fight it with everything" attitude. I ask each of you to keep Bill and his family in your thoughts and prayers. Rest assured that we will keep you posted on his condition! You can drop Bill a note at mr53clean@hotmail.com.
- **Mr. William J. Hemberger**, Chief, CECOM IRAC, was the Co-Chairman for the American Society of Military Comptrollers (ASMC) National Professional Development Institute (PDI) 2000 to be held in Philadelphia, PA, 30 May-2 June 2000. **Mr. Richard Waibel**, U.S. Armament Research, Development and Engineering Center, Picatinny Arsenal, was the other Co-Chairman. The Jersey Chapters hosted the PDI with support from the Ft. Meade, Chesapeake, and Washington, DC Chapters.
- The National Guard Bureau Internal Review Directorate (NGB-IR) would like to thank **Mr. Jerry Egge** and the Wyoming Supervisory Auditor, **Mr. Russ Case**, for their work and support of the NGB Internal Review Home Page. NGB-IR knows their time is valuable and deeply appreciates their constant contributions to the IR community through this invaluable resource. Thanks again, Gentleman!
Please visit the NGB-IR homepage at <http://www.wycys.ang.af.mil/ir> and see various audit tools, State Audit Report Listing, Supervisory Auditor listings, and a newly posted Audit Workpaper Guide!
- **Mr. Don Smuland**, Director, Auditor Training Institute, USDA Graduate School, died several weeks ago while in New Mexico on business. Don was instrumental in fostering an outstanding level of support for Army auditors during his tenure at the Institute. He will be greatly missed by the IR community.

"It's a funny thing about life; if you refuse to accept anything but the best, you very often get it."

- - W. Somerset Maugham

HURRICANE SEASON APPROACHES

by Mr. John Byrne, USACE IR

On the June 1, 1999, the hurricane season began. Educated forecasters say the 1999 season will be one of the worst with numerous major storms and hurricanes. If just one significant hurricane makes US landfall like Hurricane George did last year, a major Federal Emergency Management Agency (FEMA) disaster relief operation will be undertaken. The U.S. Army Corps of Engineers partners with FEMA to provide timely disaster relief. Experience has shown that the involvement of internal auditors and investigators at the beginning strengthens the business processes used and reduces incurred costs. For Hurricane George, the Army Internal Review community played a major role in the USACE recovery work effort. USACE hopes that the total Army's IR community will again provide outstanding support should the need arise this year.

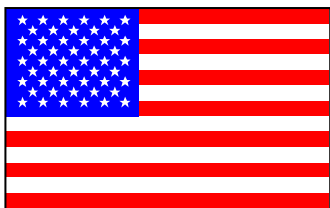
USACE Point of Contact is **Mr. John Byrne** - (202 761-0061).

Guard Publishes Revised Audit Workpaper Guide!

The National Guard has significantly revised their Workpaper Guide. The revision provides the framework for greater flexibility and includes additional guidance and more examples. Audit working paper guidance continues to ensure compliance with professional standards, however. The Workpaper Guide is available through the NGB Web Site (<http://www.wycys.ang.af.mil/ir>).

"The wise man doesn't give the right answers, he poses the right questions."

- - Claude Levi-Strauss



***Have a GREAT
4th of July!***

Thought For The Day

Submitted by Mr. Henry Wheatley, Ft. Knox IR

The paradox of our time in history is that we have taller buildings, but shorter tempers; wider freeways, but narrower viewpoints; we spend more, but have less; we buy more, but enjoy it less.

We have bigger houses and smaller families; more conveniences, but less time; we have more degrees, but less sense; more knowledge, but less judgment; more experts, but more problems; more medicine, but less wellness.

We have multiplied our possessions, but reduced our values. We talk too much, love too seldom, and hate too often. We've learned how to make a living, but not a life; We've added years to life, not life to years.

We've been all the way to the moon and back, but have trouble crossing the street to meet the new neighbor.

We've conquered outer space, but not inner space;

We've cleaned up the air, but polluted the soul;

We've split the atom, but not our prejudice;

We have higher incomes, but lower morals;

We've become long on quantity, but short on quality.

These are the times of tall men, and short character; steep profits, and shallow relationships.

These are the times of world peace, but domestic warfare; more leisure, but less fun; more kinds of food, but less nutrition.

These are days of two incomes, but more divorce; of fancier houses, but broken homes.

It is a time when there is much in the show window and nothing in the stockroom; a time when technology can bring this letter to you, and a time when you can choose either to make a difference, or to just hit delete...

"Pay no attention to what the critics say; there has never been set up a statue in honor of a critic."

- - Jean Sibelius

True or False?

(Answer from Page 8)

False!

"There is a common belief that rattlesnakes always warn the victim by rattling before striking. In fact, William Bartram (1739-1823), a botanist and ornithologist, called the diamondback "the magnanimous rattle-snake." Recent, more thorough studies have demonstrated that this is not true: the diamondback is quite capable of striking without warning."

(Source: *The Dictionary of MisInformation*, Tom Burnam (1975), Thomas Y. Crowell Co., New York, NY.)

PUZZLES WE'VE SEEN

Decipher the hidden meaning in this set of letters -

NOXQQIVIT

Answer to March's Puzzle -
Back SEATDRIVER

"Visible goodwill is the strongest negotiation strategy. Don't let somebody else determine your behavior."

- - Dr. S. U. Sunrei

Management Control Corner

By

Mr. Mike Petty, Program Manager for Management Control

On 27 May 1999, we forwarded an e-mail to Army MCP administrators providing guidance for Annual Assurance Statements. The guidance included the following due dates:

SCHEDULE FOR DEVELOPMENT & STAFFING OF FY 1999 ANNUAL STATEMENT OF ASSURANCE

| | |
|------------------------------|---|
| September 30: | Annual statements from MACOMs and separate-reporting FOAs due to OASA(FM&C) |
| October 15: | Annual statements from HQDA Principals due to OASA(FM&C) |
| October 22: | Draft Army statement delivered to HQDA Staff elements for coordination |
| October 29: | HQDA Staff comments on draft Army statement due at OASA(FM&C) |
| November (TBD): statement | Senior Level Steering Group convened to review proposed Army statement |
| November (TBD): | Secretary of the Army briefed on proposed Army statement |
| November 15: | Signed Army statement delivered to USD (Comptroller) for the Secretary of Defense |

Army Management Control Training Symposium

We will be holding our Army Management Control Training Symposium in conjunction with the IR Symposium this year. Our session is planned for August 27 at the Renaissance Cottonwood Resort, Scottsdale, AZ. Our attendance is limited to 100. Each MACOM and Field Operating Agency can bring up to 4 attendees and each HQDA staff agency can bring up to 3. The past two years I've had to referee internal bickering about the number of attendees from some organizations. Although I said I wasn't going to get involved this year, some folks just don't seem to get the word or understand what you say. If I get calls from personnel within your organizations for seats, I'm referring them to you. **YOU** make the decisions on who attends. Please let me know the names, addresses, phone numbers and e-mail addresses of your attendees by July 9, 1999. Some organizations have already asked for more allocations. If you are not going to use your full quota please let me know soonest so I can reallocate them.

Once you've locked in your attendees, have them call the Renaissance Cottonwood Resort reservations line at 1-480-991-1414. They should indicate they are with the Army Management Control Symposium. We've blocked 70 rooms (they have more) on the night of August 26, 1999, so reservations should not be a problem. Our rate is \$56.00 plus tax. Please have your attendees make their reservations by August 3, 1999.

We are also running the USDA MCA Course on August 25-26, 1999, in conjunction with our symposium. Any of your personnel that want to attend this course should contact Ms. Karen Pressley, USDA Graduate School, (202) 314-3551 or (800) 326-7813, or e-mail karen_pressley@grad.usda.gov. The cost of this two-day course is \$250.00.

Now the bad news about our symposium. We are negotiating the fee with the Cottonwood for meeting room and a morning break. This cost will be between \$5 and \$10. As soon as we get a good figure I'll pass it on to you. Whatever the final cost, it's reimbursable as a registration fee.

I have not finalized an agenda so if you have recommended topics please let me know. I'd like to show case some of the great thing you and your folks are doing. You all deserve recognition for the great things that you do for the Army.

USDA Management Control Training Courses

We are offering both the one-day course for managers and the two-day course for Management Control Administrators through USDA again this year. So far both courses are under subscribed. This is great training and worth every penny. The rules of engagement for each course follow:

ARMY MANAGEMENT CONTROL PROCESS COURSE

COURSE DESCRIPTION: This eight-hour seminar will cover the statutory and regulatory requirements of the Army's management control process, the underlying Army philosophy on management controls, the major elements of the Army's process and the basic responsibilities of key players in that process.

LOCATION: On-site

NUMBER OF STUDENTS: Up to 30

TUITION: \$2,200 + travel expenses

USDA CONTACT: Ms. Karen Pressley
(202) 314-3551 or (800) 326-7813
karen_pressley@grad.usda.gov

ARMY MANAGEMENT CONTROL ADMINISTRATORS COURSE

COURSE DESCRIPTION: The purpose of this two-day course is to provide Army Management Control Administrators with the comprehensive training necessary for them to perform their job. This training includes developing a Management Control Plan, conducting effective management control evaluations, identifying material weaknesses and establishing plans to correct them, and preparing annual statements of assurance.

COURSE SCHEDULE/LOCATION:

| | |
|--------------------|--|
| June 16-17, 1999 | Kansas City, MO |
| June 21-22, 1999 | Newport News, VA |
| July 26-27, 1999 | Washington, DC |
| August 25-26, 1999 | Scottsdale, AZ (in conjunction with our annual training symposium) |
| November 1-2, 1999 | San Antonio, TX |
| November 3-4, 1999 | Orlando, FL |

TUITION: \$250.00 per student

USDA CONTACT: Ms. Karen Pressley
(202) 314-3551 or (800) 326-7813
karen_pressley@grad.usda.gov

USAAA Annual Review

We've finally decided on the MACOMs and HQDA staff agencies for this year's USAAA MCP review. I will be providing those lucky selectees more information in the near future. By now this review should be routine for you pros. It's based on the assessment criteria that we

developed and discussed with most of you. Prudent MCP administrators will use the criteria to self-assess their management control programs before USAAA comes knocking on your door.

Web Sites

Some of you developed great web sites. Please give us your URLs so we can share them with the rest of the Army and Federal Government.

"Democracy is the art and science of running the circus from the monkey cage."

-- H.L. Mencken

The Next Edition of The IR Journal

Our next edition of *The IR Journal* will be published during September 1999. Articles and information for the June edition should be received on or before 31 August 1999. Input should be forwarded via e-mail whenever possible. Also, please use New Times Roman, 10 pt text.

The IR Journal

is an unofficial newsletter for the Army Internal Review community published by the Office of the Deputy Assistant Secretary of the Army (Financial Operations). Its objective is to keep readers informed of issues that may affect or have affected the Army's Internal Review Program, the internal audit profession or auditing in the Federal government. *The IR Journal* will not be used to announce new or revised Army policy. It will however, often discuss new or changed policies subsequent to official announcement.

The editorial staff would like to hear your comments or ideas on improving *The IR Journal*. We would also ask you to submit articles, questions, good news, lessons learned, innovative audit techniques employed, recommendations for training, or letters to the editor.

We ask DA Staff and MACOM Internal Review offices to provide us with information on promotions, awards, new assignments, births, marriages, etc. This is your publication, so please help us serve you better.

Please feel free to contact our editorial staff, **Bob Barnhart** and **Michelle Doyle**, at any time. They can be reached at DSN 225-2909, COMM (703) 695-2909/7693; FAX - DSN 223-1028, COMM (703) 693-1028; or e-mail BARNHRW@hqda.army.mil or DOYLEM@hqda.army.mil. Comments or questions pertaining to the Management Control Page can be directed to **Mike Petty** at DSN: 225-3225; COMM (703) 695-3225; or e-mail PETTYTM@hqda.army.mil. Mike's FAX number is the same as shown above. *The IR Journal* is available and downloadable from the Internal Review Homepage at <http://www.asafm.army.mil> - (click on Internal Review).

"When the freedom they wished for most was the freedom from responsibilities, then Athens ceased to be free and was never free again."

-- Edith Hamilton